

1 October 1945

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EXTRACTS FROM MEMORANDUM TO COLONEL MCCORMACK
FROM THE ACTING SECRETARY OF STATE

At a time when we were communicating with the Secretary of State in London regarding the establishment of an intelligence agency within the State Department, I sent him a message from which the following is an excerpt:

"The Special Assistant and his organization would be responsible for the collection, evaluation and dissemination of all information regarding foreign nations. These functions are now spread throughout the Department. To unite them in one organization... would free the operating offices of the intelligence function and thus relieve them of a very considerable burden. Intelligence would furnish the data upon which the operating offices would determine our policy and our actions. Sources of information would be our own field installations and those of other departments as well as all Washington agencies and other domestic sources.

"Under the Special Assistant there would be two offices, one for counterintelligence and one for intelligence. The former would be constituted by shifting to it those divisions now engaged in counterintelligence work but scattered throughout other offices of the Department. There is a pressing need for the consolidation of these divisions, along with their personnel, files and equipment for proper exercise of the counterintelligence function....

"...The Bureau of the Budget is preparing a draft of an executive order which would transfer to the State Department two OSS units, the Research and Analysis Branch and the Presentation Branch, with their functions, personnel, property, records and funds. I propose that you authorize me to concur in this executive order. If it is signed, we should immediately place the two branches in an interim office, under our Special Assistant for Research and Intelligence. Before the first of the year we should absorb into our permanent intelligence structure such functions, personnel, property, and records of the two branches as we desire to retain. The remainder would pass out of existence at that time."

Since the Secretary concurred in these general principles, and since the President has signed the Executive Order, the excerpts which I have quoted can well serve as the general basis of a directive for you as Special Assistant to the Secretary for Research and Intelligence.

State Dept. review completed

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It is desired that you take the following steps towards the creation of your intelligence unit:

1. Participate in such future discussions as may take place regarding the disposition of those parts of OSS as are not specifically disposed of in the Executive Order, but which may be disposed of administratively. You will represent the Department of State in these discussions, at which I understand representatives of the War Department and OSS will also be present.
2. Establish a board... for the purpose of surveying those parts of OSS which have been, or will be, transferred to the Department of State for the purpose of advising you which parts of OSS we wish to retain beyond January 1 and which parts we wish to dissolve at that time.
3. Have the board conduct simultaneously a survey of those organizations within the present structure of the Department of State which are presently engaging in intelligence activities, for the purpose of advising you which of these organizations should be transferred to your own intelligence agency between now and January 1.
4. Consolidate the units within OSS which we wish to retain and the units of the Department of State now participating in intelligence activities so that, by January 1, all intelligence activities within the Department will be under your own control.

I attach hereto a copy of a memorandum signed by the President on September 20, 1945. It directs the Secretary of State to "take the lead in developing a comprehensive and coordinated foreign intelligence program for all Federal agencies concerned with that type of activity. This should be done through the creation of an interdepartmental group, heading up under the State Department, which would formulate plans for my approval. This procedure will permit the planning of complete coverage of the foreign intelligence field and the assigning and controlling of operations in such manner that the needs of both the individual agencies and the Government as a whole will be met with maximum effectiveness."

The steps which I have directed in this memorandum will have the effect of uniting and consolidating the intelligence activities of this Department. As regards the next step - that of "developing a comprehensive and coordinated foreign intelligence program for all Federal agencies concerned with that type of activity" - please make a careful and immediate study of the President's memorandum... and advise the Secretary of State as to what measures he should take.

Dean Acheson